

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

3 APR 1975

Mr. James F. Hyde  
Acting Assistant Director for  
Legislative Reference  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Hyde:

Enclosed are proposed reports to Chairman Price, House Committee on Armed Services, in response to requests for our recommendations on the following legislation: H. R. 1531, a bill to prohibit the use of appropriated funds by the Commission on Central Intelligence Agency Activities Within the United States; and H. R. 1532, a bill to prohibit the use of appropriated funds by or on behalf of the Central Intelligence Agency for the purpose of undermining or destabilizing the government of any foreign country.

Advice is requested as to whether there is any objection to the submission of these reports from the standpoint of the Administration's program.

Sincerely,

George L. Cary  
Legislative Counsel

Enclosures

Distribution:

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1 - OMB Liaison

1 - H. R. 1531/1532 file

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**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON, D.C. 20505

Honorable Melvin Price, Chairman  
Committee on Armed Services  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your request for our views and recommendations on H.R. 1531. This bill prohibits the use of appropriated funds by the Commission on Central Intelligence Agency Activities Within the United States.

The Commission was established by Executive Order 11828, signed by the President on January 4, 1975. The Executive Order directs the Commission to:

(a) Ascertain and evaluate any facts relating to activities conducted within the United States by the Central Intelligence Agency which give rise to questions of compliance with the provisions of 50 U.S.C. 403;


(b) Determine whether existing safeguards are adequate to prevent any activities which violate the provisions of 50 U.S.C. 403;

(c) Make such recommendations to the President and to the Director of Central Intelligence as the Commission deems appropriate.

Because the Commission is tasked with investigating certain activities of this Agency, I believe it would be inappropriate for me to express views on whether appropriated funds should be denied the Commission.

The Office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,



W. E. Colby  
Director

**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON, D.C. 20505

Honorable Melvin Price, Chairman  
Committee on Armed Services  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is in response to your request for our views and recommendations on H.R. 1532, which would prohibit the use of appropriated funds by or on behalf of the Central Intelligence Agency for the purpose of undermining or destabilizing the government of any foreign country.

The apparent purpose of this bill is to prohibit CIA from engaging in any covert action, which the Agency undertakes upon specific direction of the National Security Council, pursuant to section 102(d)(5) of the National Security Act of 1947 (50 U.S.C. 403). Both Houses of the 93rd Congress defeated attempts to eliminate this Agency's covert action capability. The House voted 291-108 on September 24, 1974, to defeat an amendment to the Fiscal 1975 Continuing Appropriations Resolution (H.J.Res. 1131) with language very similar to H.R. 1532. The Senate rejected, by a vote of 68-17 on October 2, 1974, an attempt to amend the Foreign Assistance Act to abolish all CIA covert actions (amendment number 1922). The 93rd Congress did, however, place significant restrictions on these activities. Section 32 of the Foreign Assistance Act of 1974 (P.L. 93-559) requires the President to make a finding that each proposed covert action is important to the national security, and to submit a report on the finding to the appropriate congressional committees. As a result, six committees of the Congress are now being briefed on these activities.



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American policy today has been greatly modified from the days when the United States was confronting worldwide Communist subversion in the 1950's or Communist insurgency in the 1960's. The United States Government then found it necessary to aggressively oppose Communist expansion, and our covert action response comprised a significant percent of our overall budget. With the advent of detente, CIA's involvement in covert action has been greatly reduced, and today requires only a small percentage of our resources. Nevertheless, I very strongly oppose any attempt to eliminate this Government's covert action capability. The United States must be prepared for any eventuality. International situations may well arise to which the United States Government feels compelled to respond in some manner. It would be a possibly crippling mistake to deprive our government of the possibility of some moderate covert action response, and leave no possible alternative between a diplomatic protest and the commitment of our armed forces.

Although H. R. 1532 appears to be solely directed at covert action, I believe the bill's broad language could be interpreted to prohibit certain intelligence gathering activities which could be considered as indirectly undermining a foreign government. An example would be an attempt to develop a relationship with a foreigner who might be of assistance to our effort to collect sensitive information about foreign governments.

For the above reasons I must earnestly oppose favorable consideration of H. R. 1532.

The Office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

  
W. E. Colby  
Director